Comments on the Draft Gas Exchange Regulations

1. **Equity shareholding of the Gas Exchange**

   - Draft regulations currently propose a cap on equity shareholding of members of the gas exchange at 5% of the paid-up equity share capital.
     - However, it is imperative that this cap is increased, as for existing gas market players (like GSPL / GSPC) to play an important role in building and developing the gas exchange, higher equity participation / stake is required. We request you to accordingly make suitable changes to the draft Regulations permitting higher equity participation by Transporters or Shippers.

2. **Lack of clarity on the tradeable capacity of a pipeline transporter (needs more data)**
   - There are substantial volumes that are reserved in GSPL and GAIL networks on long term basis, which effectively will result in only common carrier volumes being available to the Exchange for trading.
   - Special regulations are needed to ensure genuine trades only for pipeline capacity, so that the interests of customers are protected
   - Capacity Trading Regulations are required to be in place so that traders and pipeline operators know the impact of the trades
   - It is important for us to understand the impact of a situation wherein capacity has been purchased by an entity, but the entity fails to utilize the capacity. In such a situation since there is no signed CT, whether the entity would still pay the Transmission cost to the Pipeline operator or not.

3. **CGD Marketing Exclusivity**
   - In its present form, we believe these regulations do not restrict customers or sellers selling gas to CGD Customers on CGD network to transact on the exchange. However, this will lead to serious concerns with regards to marketing exclusivity provided to the relevant CGD entity under PNGRB regulations.
   - Due clarification on the same may kindly be provided by the Board

4. **Other Issues**
   - It is requested that all the proposed regulations related to Gas Exchange be released for Public Consultation at the same time to be able to give comprehensive comments.